PUBLIC GUARDIAN AND TRUSTEE

SERVICE DELIVERY PLAN

April 1, 2014 – March 31, 2017

Updated August 13, 2014

PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

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Transmittal and Approval Letters

To: The Honourable Suzanne Anton, Q.C.
Attorney General and Minister of Justice

I have the honour of delivering this Service Delivery Plan for the Public Guardian and Trustee in accordance with the provisions of s. 22 of the *Public Guardian and Trustee Act*.

This plan covers the period April 1, 2014 to March 31, 2017. It has been prepared under my direction and all material fiscal assumptions and policy decisions as of December 16, 2013 have been considered in preparing it. I am accountable for the basis on which the plan has been prepared.

This updated plan is substantially unchanged from the original plan with the exception that references to implementation of the statutory adult guardianship legislation and related financial implications have been updated.

	August 13, 2014
Catherine M. Romanko Public Guardian and Trustee	Date

To: Catherine M. Romanko
Public Guardian and Trustee

Pursuant to s. 22 (3) of the *Public Guardian and Trustee Act*, I approve the Service Delivery Plan 2014 – 2017 for the Public Guardian and Trustee.

Anton	15 Sept 2014
Attorney General and Minister of Justice	Date

Pursuant to s. 22 (3) of the *Public Guardian and Trustee Act*, the attached Service Delivery Plan 2014 – 2017 for the Public Guardian and Trustee has been approved by Treasury Board.

Chair of Treasury Board	Date

Message from the Public Guardian and Trustee

I am pleased to present the Service Delivery Plan of the Public Guardian and Trustee (PGT) for the period April 1, 2014 to March 31, 2017. The period of the previous plan encompassed a milestone event for the PGT, the 50th anniversary of its establishment in 1963 when the *Public Trustee Act* combined the duties of several separate offices and conferred them on the first British Columbia Public Trustee.

Since that time, the statutory responsibilities of the PGT have steadily evolved and expanded, a process that will continue during the period covered by this current service delivery plan. As in recent years, the major focus of the PGT will be implementation of significant new legislation which will affect PGT services to all client groups.

The *Wills, Estates and Succession Act*, 2009, and related new *Probate Rules* will come into force on March 31, 2014 and will significantly affect the way in which the PGT administers the estates of deceased persons and protects the interests of clients in estates. Selected provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007* relating to the manner in which the PGT becomes a statutory property guardian will come into force on December 1, 2014. The *Health Statutes Amendment Act, 2007,* which will create a legal consent scheme for admission to BC care facilities, may also be proclaimed during this three year period. Each of these statutes will impose new duties on the PGT and related implementation will have extensive requirements.

In 2013, the PGT undertook a comprehensive and principled review of all fees and commissions charged to clients and made recommendations to government for changes to the *Public Guardian and Trustee Fees Regulation*. Government accepted some of the recommendations and an amended fees regulation came into force on August 1, 2014. In addition to updating fees that have not been changed for many years, the changes, provide for a more equitable fee regime which more accurately reflects the nature and cost of services and which will fund implementation of the newly proclaimed statutory property guardianship legislation.

There is growing public awareness of the need to support children in care of the province as they transition to adulthood. As property guardian for children and youth in continuing care, the PGT is very interested in exploring opportunities within its existing mandate to enhance its support to these children and youth. In addition, the PGT will continue to develop its financial literacy training materials for its child and youth clients.

The PGT will continue to embrace Lean methodology as an approach to improving service delivery and efficiency by fully utilizing staff expertise in effecting change. The PGT experience with the Lean approach has been very positive leading to improved business processes and enhanced staff engagement. Building staff engagement will continue to be a PGT strategic priority and specific challenge for this plan as staff with their specialized expertise are a critical resource and are essential to the ability of the PGT to provide quality services to clients.

Fostering external relationships is also a continuing strategic priority for the PGT. In addition to family and friends of clients, an extensive range of service partners and stakeholders play important roles in facilitating service.

This is a challenging time for the PGT and the vulnerable British Columbia citizens who are our clients. We are in a period of fiscal restraint and simultaneously are facing significant change in programs that apply to all our major client groups – children and youth, incapable adults and estates of deceased persons. I appreciate the efforts of staff, service partners and all who work together to ensure continued support for this essential work.

Catherine M. Romanko
Public Guardian and Trustee

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1. ORGANIZATIONAL OVERVIEW

The Public Guardian and Trustee (PGT) serves the most vulnerable British Columbians by providing and/or monitoring substitute financial, legal and personal decision making on their behalf. The majority of its clients are children (including those in continuing care of the province) and adults whose mental incapacity makes them vulnerable to abuse, neglect and self neglect. The PGT also administers estates of deceased and missing persons and provides personal trust services. PGT responsibilities span the legal, financial, health and social services sectors.

The PGT currently has 250 funded employee positions. It serves approximately 30,300 clients and administers approximately $893 million of client assets. The PGT delivers service from offices in Vancouver, Victoria and Kelowna.

The PGT organizational structure is as follows:

Child and Youth Services	Services to Adults
Reviews critical incident reports involving children in continuing care; provides trust services; as property guardian, pursues financial entitlements and protects legal interests of children in continuing care; protects legal and financial interests of minors through reviews of proposed legal settlements and statutory protective reviews; and acts as litigation guardian.	Provides financial, legal and personal care substitute decision making services for incapable adults; investigates reports of financial abuse of vulnerable adults; consults on possible abuse, neglect and self neglect situations; reviews accountings by private committees; makes or appoints others to make health care decisions as a temporary substitute decision maker.
Client Finance and Administrative Services	**Estate and Personal Trust Services**
Provides client and corporate financial services including investments, receipts, disbursements, tax and investigative services, facilities and information technology services.	Administers estates of deceased and missing persons; administers personal trusts; acts as litigation representative; manages the PGT Educational Assistance Fund for adults who were formerly in continuing care; maintains wills and information for persons who have named the PGT to be executor of their estates.

Legal Services
Responsible for legal services, information and privacy requests and oversight of the internal decision review process.

Key Statutes

Numerous acts set out the powers and duties of the PGT. Key provincial statutes include:

- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act**
- *Estates of Missing Persons Act*
- *Family Law Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Limitation Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trustee Act*
- *Trust and Settlement Variation Act*
- *Wills Act**
- *Wills, Estates and Succession Act (in force March 31, 2014)*
- *Wills Variation Act**

**As applicable under the transitional provisions of the Wills, Estates and Succession Act*

The PGT has a fiduciary duty of undivided loyalty to its clients and to advance the interests of its clients even if they are inconsistent with the priorities or interests of the provincial government.

Further information about PGT services and structure is available on the PGT website at www.trustee.bc.ca. The website also includes copies of the PGT annual report which contains audited financial statements and extensive audited information on performance.

A. Corporate Governance

The Public Guardian and Trustee is a corporation sole established under the *Public Guardian and Trustee Act*. This is a legal entity in which governance and operational responsibility are vested in a single office holder who operates without a board of directors. The status of the organization as a corporation sole establishes the Public Guardian and Trustee as a legal entity independent of government.

Authority is vested in the Public Guardian and Trustee (PGT) who is appointed by the Lieutenant Governor in Council for a fixed six year term (renewable once) to ensure independence. The current office holder is Catherine M. Romanko, who was appointed October 10, 2011. Staff act under authority delegated by the PGT. The PGT reports to the Legislative Assembly through the Attorney General and Minister of Justice.

An Investment Advisory Committee of independent senior external financial advisors is established by statute to advise on investment performance and strategic investment policy.

An Audit Advisory Committee advises the PGT on risk management and audit related issues.

An Executive Committee comprised of the Public Guardian and Trustee, the Deputy Public Guardian and Trustee and operating division directors manages the organization.

As a fiduciary, the PGT is independent of government in its case related decision making responsibilities. By statute, the PGT exercises quasi judicial authority in certain situations. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, adults with legal disabilities or estates are at risk.

Under the *Public Guardian and Trustee Act,* the PGT is subject to stringent public accountability provisions. These include requirements for annual independent financial audits of both its operating fund and its estates and trusts administered, as well as an annual independent audit of its annual performance report. These rigorous accountability provisions reflect the fact that most PGT clients lack capacity to effectively monitor service quality or seek alternate service providers.

B. Financing Structure

PGT expenditures are paid from a special account established by the *Public Guardian and Trustee Act* in the Consolidated Revenue Fund. Revenue flowing into the special account is derived from a combination of fees and commissions charged on client assets and income, and voted funding from the government of British Columbia for services where fees would be impractical, inappropriate or insufficient. Fees and commissions account for the majority of PGT funding (71% of actual expenditures in 2012/13). Revenue in excess of expenditures is retained in the special account if unspent at year end.

Client services fall into one of two categories of expenditure:

Estate and trust services are those in which the PGT is advancing the private interests of individual clients by managing their assets. This private role is reflected in the complete or high level of cost recovery. In 2012/13, PGT estate and trust services accounted for 67% of total costs while producing 90% of self generated revenue.

Public services are those that reflect social policy interests such as monitoring or oversight and the limited or absence of cost recovery reflects the public nature of these services. In 2012/13, PGT public services accounted for 33% of total costs while producing only 10% of self generated revenue.

All PGT fees and commissions are established by the Lieutenant Governor in Council and set out in the *Public Guardian and Trustee Fees Regulation* (BC Reg. 312/2000) as amended. They are a combination of commissions on income, commissions on capital, and asset management fees.

In addition, the PGT charges certain hourly and fixed fees for specific services. Third party charges for client related services are charged directly to clients.

C. Clients, Stakeholders and Service Partners

PGT serves three groups of clients.

- Minor children and youth are the majority of PGT clients. Primary groupings include minors who have trust funds, whose guardians wish to settle a claim for damages on their behalf, or who are in continuing care of the province.

- Adults, particularly seniors, who are unable to independently manage their affairs or person are another major client group. Primary groupings include adults who have a mental illness, developmental disabilities, acquired brain injuries or diseases of aging; adults experiencing abuse, neglect or self neglect; and incapable adults without family who require health care decisions.

- Heirs and beneficiaries of deceased persons and beneficiaries of personal trusts are another group. Many of the heirs and beneficiaries of estates of deceased persons are difficult to locate or determine whereas many of the beneficiaries of personal trusts are minor children or adults with some form of mental illness or developmental disability.

Key PGT stakeholders include family and others in supportive networks of PGT clients. Other PGT stakeholders and service partners are drawn primarily from the legal, financial, health and social services sectors, reflecting the nature of PGT services. The PGT works with a wide range of public bodies and private sector service providers to meet the needs of clients.

- Public sector partners with statutory authority play a major role. Examples include Health Authorities, Community Living BC, Aboriginal Child and Family Service Agencies, and Ministries of Health and of Children and Family Development.

- Private sector service providers vary widely. Examples include care facilities, funeral homes, personal attendants, financial institutions, lawyers, accountants, medical and social services professionals, real property managers and heir tracers.

2. MANDATE OF THE PUBLIC GUARDIAN AND TRUSTEE

Mission

The mission of the PGT is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

While the PGT delivers approximately 48 different statutory functions under 22 provincial statutes, the vast majority fall under one of two main roles, either *fiduciary* or *protector*.

As ***fiduciary*** the PGT is responsible for making substitute decisions on behalf of vulnerable British Columbian citizens who require assistance and/or protection because they are under a legal disability due to minority or mental incapability. The PGT also acts as fiduciary in the administration of estates and trusts.

As ***protector***, the PGT is responsible for investigating concerns of abuse, neglect or self neglect of British Columbians under legal disability and under some statutes carries out an oversight role of third party substitute decision making.

In most instances, individuals become PGT clients through legislation, court order, trust deed or referral. In addition, some choose the PGT as their service provider to act as a trustee for a personal trust or to act as executor to administer an estate.

PGT daily operations are centred on the following primary business lines.

A. Protecting People under Legal Disability by Making and/or Reviewing Decisions made by Others

Under British Columbia law, the PGT screens, investigates, monitors, takes protective measures and otherwise intervenes on behalf of persons under legal disability. Persons under legal disability include minor children by reason of age and adults by reason of mental incapability. The PGT acts to ensure that the legal and property interests of clients are protected. To accomplish this, the PGT may review a range of applications in legal proceedings, investigate allegations, review accounts of private committees and pursuant to regulation, appoint Designated Agencies to investigate and respond to possible abuse, neglect or self neglect of adults.

B. Administering Property of Clients

The PGT is bound by fiduciary obligations to protect and administer property on behalf of clients. The PGT ensures that client property is protected, clients are enabled to access services and client wishes are met to the extent possible. To accomplish this, the PGT secures and manages client assets.

Asset management activities may include physically securing property, determining and collecting income, paying bills, administering personal trusts, investing as a prudent investor, making disbursements for the benefit of clients and distributing and inventorying trust assets. In planning and implementing these activities, the PGT seeks to understand the client's context and exercises professional discretion in making decisions.

C. Administering Estates of Deceased and Missing Persons

The PGT may act as executor or administrator of the estates of deceased persons. The PGT administers estates of persons who have died with or without a will when an executor, family member or other eligible person is unwilling to act or is unable to administer the estate. These activities are intended to ensure efficient, orderly intergenerational transfer of wealth.

To accomplish this, the PGT makes funeral arrangements, identifies, secures and deals with estate assets and obtains the legal authority to administer each estate from the Supreme Court of British Columbia. Furthermore, the PGT identifies and pays valid debts and claims, files income tax returns and deals with estate legal matters. Finally, the PGT identifies, locates and distributes the balance of the estate to the lawful heirs and beneficiaries.

The PGT also acts as curator of the estates of missing persons.

D. Making Personal and Health Care Decisions

The PGT makes or appoints other substitute decision makers to make health care decisions on behalf of persons who are mentally incapable of providing consent to treatment and who have no supportive network. The PGT may also, as a last resort, be appointed by the court to make other personal care decisions on behalf of incapable adults. These activities are intended to ensure that client health and safety are protected, client well being is promoted, and known prior capable wishes of the client are respected.

To accomplish this, the PGT arranges client access to services and shelter and makes or participates in client decision making. This may include reviewing client needs, wishes, values and interests and developing individualized case plans.

E. Educating the Public

The PGT recognizes the importance of providing public information and education about the PGT to mitigate the growth in demand for PGT services, facilitate cooperation with service partners and stakeholders and to inform the public about related issues. For example, the PGT provides public information directed at identifying and deterring financial abuse of incapable and vulnerable persons to limit growth in demand for PGT services. Similarly, the PGT publishes information encouraging responsible private personal planning for incapacity and death with the expectation that effective planning will diminish the public need for PGT services.

The PGT has limited resources for these activities and must balance speaking invitations, requests for information materials and other related needs within its capacity to respond. The PGT seeks to leverage other public education resources in order to achieve maximum efficiency when communicating with clients, service partners, key stakeholders and the public. This may include producing publications and other information materials, making presentations, providing news releases or enhancing the PGT internet presence.

F. Applying PGT Special Expertise to Advocate for PGT Clients

The PGT supports clients in accessing services and exercising their civil, personal and property rights. This activity requires considerable liaison with service providers and increasingly may include legal action to pursue client rights and entitlements.

At a systemic level, the PGT advocates for improved laws, policy and regulations in its responsibility areas. This may include applying the special expertise of the PGT in analyzing emerging issues and making recommendations regarding policy and legislation to ensure that decision makers are aware of the impact of legislative changes on persons under legal disability.

3. OPERATING CONTEXT

The PGT operating environment is currently impacted by a wide range of factors as identified below. These will continue to impact the PGT over the course of the period covered by this service delivery plan.

- Constraints associated with PGT capacity and technology infrastructure will continue to pose enterprise risks and impair service delivery until upgraded. Risks increase significantly each year that implementation of a modern trust accounting system is deferred. The PGT expects to receive funding approval that will allow development and implementation of the required trust accounting system beginning in 2014/15. Risk will remain until the new system is fully implemented.

- Demand continues to grow to provide legal services on behalf of clients as part of meeting PGT fiduciary obligations. This includes individual litigation, and increasingly, advancing client claims within class actions, which may involve a legal obligation to incur costs without offsetting revenue. While demand has been declining for approval of proposed settlement of claims on behalf of minors for unliquidated damages such as personal injury arising from motor vehicles accidents, the reasons for this decline and long term implications are not yet clear.

- The international economic slowdown impacts rates of return for investments and the value of client assets, which then impacts PGT revenue.

- The long term transition continues from the PGT acting primarily as a fiduciary, providing direct financial management services to clients, to a role that includes significant investigatory and regulatory responsibilities. Regulatory services are not funded through corresponding revenue from fees and commissions as these services apply to the broad population, only a portion of which will become PGT clients and thus subject to fees that support the services.

- Ongoing changes in the availability of community supports for individuals, coupled wit growth in the number of agencies with statutory authority, have made the service environment for PGT clients more complex and have made supporting PGT clients much more challenging and resource intensive.

- Demands associated with public, client, stakeholder and service partner expectations about the nature, quality and service delivery models for PGT services continue to evolve and intensify.

- The PGT has initiated a continuous improvement program based on Lean methodology by focusing on three projects which are improving services to our clients. The projects include revisions of the processes by which accounts submitted by private committees are reviewed and a streamlining of business processes related to establishing and maintaining client Registered Disability Savings Plans.

- Administering client assets has become more complex in that PGT clients represent a diverse and mobile population with assets and family members throughout Canada and the world. Identifying and managing assets increasingly requires staff expertise in accessing computer systems and otherwise dealing with the online presence of clients.

- The increase in availability of financial opportunities for specific PGT client groups, such as grants and bonds associated with the federal Registered Disability Savings Plan, creates resource pressures arising from the need for the PGT to apply for benefits and maintain plans on behalf of clients. The PGT is applying Lean methodology to lessen this impact. It is also participating in a province wide initiative to remove barriers that prevent vulnerable children and adults from accessing Registered Disability Savings Plans.

- Growing awareness of the incidence and nature of financial abuse of vulnerable adults continues to increase pressure for the PGT to act to respond to allegations of abuse and to facilitate broad community response. The PGT also participates in government wide initiatives such as the provincial elder abuse prevention strategy and the review of services to adults with developmental disabilities.

- Pressures associated with providing services to Aboriginal clients and First Nations communities continue to grow, particularly that of providing property guardianship services to Aboriginal children in continuing care.

- Unfunded PGT service demands will result from implementation of First Nations treaties as services previously administered under federal jurisdiction will fall under the domain of provincial authority and the federal government will cease providing such services.

- Some groups of vulnerable BC adults could benefit from PGT services but do not currently have access. These include vulnerable adults who may be legally capable but are in the early

stages of dementia and could benefit from support in managing their legal and financial interests but are ineligible because of limited PGT operational capacity. The PGT is seeking innovative approaches within its existing statutory authority to provide some degree of assistance to clients who do not require or are not eligible for full service.

4. STRATEGIC CONTEXT

The PGT has adopted the following strategic direction

- Optimizing client services
- Strengthening organizational capacity
- Building staff engagement
- Fostering external relationships

Each of these directions guides our efforts to build PGT organizational capacity and effectiveness. Within these directions, five challenges have emerged as dominating the strategic context during the three year period covered by this service delivery plan:

A. Implementing new legislation and advocating for law reform
B. Enhancing services to child and youth property guardian clients
C. Responding to demographic change
D. Upgrading information technology
E. Furthering employee engagement

A. Implementing New Legislation and Advocating for Law Reform

A key focus continues to be implementing new legislation which will affect the role of the PGT in providing service to all of its major client groups – children and youth, incapable adults and estates of deceased persons.

Implementing new law affecting PGT operations requires developing and implementing corresponding changes to business practices, information technology systems, policies and procedures, manuals and public education materials as well as hiring and/or training staff for new duties. It requires the PGT to develop information materials to assist clients, service partners and stakeholders in understanding new PGT services and may also require extensive consultation with external service partners.

The *Wills, Estates and Succession Act*, 2009 (WESA), and related new *Probate Rules* will come into force on March 31, 2014. This new law will change the fundamental rules of succession and the manner in which deceased estates are administered in British Columbia. The entitlement of PGT clients to share in or administer estates will be impacted as will the role of the PGT as estate executor or administrator. Implementing WESA is a major undertaking for the PGT because of the extensive changes it brings to the law and the way in which PGT will carry out its estate and succession related roles.

The PGT is also preparing to implement new law affecting adult guardianship, in particular, the process by which the PGT becomes statutory property guardian (committee) for incapable adults. The legal process for appointing a statutory property guardian was strongly criticized by the BC Ombudsperson for lack of administrative fairness in her February 2013 report – *No Longer Your Decision: British Columbia's Process for Appointing the Public Guardian and Trustee to Manage the Financial Affairs of Incapable Adults*. In response to the Ombudsperson report, the BC government committed to bringing selected provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007* relating to statutory property guardianship into force on December 1, 2014.

These legislative provisions will add new legal requirements to services delivered by the PGT including additional procedural steps and duties in the determination of whether to appoint a guardian for an adult, enhanced notification and consultation requirements and new procedures for responding to requests for appeals of capacity assessments.

Funding implications of delivering the new statutory adult guardianship framework are significant and cannot be absorbed internally. The PGT has worked with government to ensure that resources are available to support the legislative requirements of this law. To this end, the PGT completed a comprehensive review of all fees and commissions charged to PGT clients and made recommendations to government. An amended PGT fees regulation came into force on August 1, 2014. In addition to updating fees that have not been changed for many years, the changes provide for a more equitable fee regime..

Provisions of the 2007 adult guardianship legislation relating to the court ordered process for appointing guardians (committees) of incapable adults are not scheduled to be brought into force at this time. This process will continue to be governed by the outdated *Patients Property Act*. In part 2 of the *White Paper on Justice Reform*, the Ministry of Justice has identified the court process for appointing an adult guardian for future implementation when appropriate resources are available. The PGT supports the commitment of the province to complete the long awaited modernization of the adult guardianship legal framework.

During the period of this service delivery plan, the PGT anticipates proclamation of the *Health Statutes Amendment Act, 2007* which will create a legal consent scheme for admission of adults to BC care facilities. Under the new legislation, the PGT will assume statutory duties to either authorize temporary substitute decision makers to consent to admission or to make decisions regarding admission to care facilities of incapable adults who have no one with legal authority to provide consent.

With respect to law reform initiatives, the PGT will continue to advocate for the enactment of a modern definition of public guardianship for children and youth. While the new *Family Law Act* defines parental duties of private guardians, it does not address the nature and scope of responsibilities of public guardians of children including the PGT. The PGT will also urge

government to enable property guardianship protection to be provided to children and youth receiving services from the province under alternative care arrangements.

B. Enhancing Services to Child and Youth Property Guardian Clients

In BC, children in continuing care lose access to most child and youth government services on their 19th birthday. Public awareness is growing that the lack of support for youth leaving care at a critical period of development places these young people who have already been significantly disadvantaged, at an even greater disadvantage compared to other youth who continue to be supported by their families and social networks.

A 2013 study by the Vancouver Foundation found that 40% of Vancouver homeless persons were formerly children in care. The Legislature recently provided expanded statutory authority to the Representative for Children and Youth (RCY) to advocate on behalf of certain youth aged 19 to 24 who are leaving government care. A provincial initiative in which the PGT is participating, is focusing on easing the transition of child and youth from receiving services from the Ministry of Children and Family Development to Community Living BC.

PGT authority as property guardian for children in continuing care currently ends with their 19th birthday. However, the PGT is also considering options to extend transitional support to these young people, particularly in the area of financial management.

PGT efforts to secure financial benefits on behalf of its child and youth property guardian clients have had some success. As a result, many of these young people will now have some financial resources as they become adults. The following table describes the major type of assets that are held by the PGT for its property guardian clients.

Summary of selected assets at March 31, 2013			
Asset type	**No. of unique clients**	**% of total property guardian clients**	**Total value of selected asset**
Registered Disability Savings Plans	473	10%	$ 2,397,210.99
Trust accounts with cash balances	937	19%	$ 7,230,534.49
Holdings in the PGT Balanced Growth Fund	26	0.5%	$ 2,501,997.24

These numbers may grow with implementation of the BC Training and Education Savings Grant announced in the February 2013 provincial budget. This program will provide a financial benefit for BC children for whom a Registered Educational Savings Plan (RESP) is opened prior to their seventh birthday. The PGT is continuing discussions with the provincial government to develop the most efficient and effective way in which these benefits can be made available to its property guardian clients as well as to all children in care.

The PGT has placed a major emphasis on financial literacy training for its property guardian clients and has produced key resources used in this work. It has partnered with First Nations, the federal government and Aboriginal and private sector organizations in developing components for a First Nations Financial Fitness program, in particular a *First Nations Financial Fitness Handbook* and accompanying *Facilitators Guide*. These tools are already being widely used in community and individual financial literacy training workshops.

In addition to its financial literacy activities, the PGT provides legal information letters to property guardian clients becoming adults in situations where these clients may have civil legal claims that could not be acted upon earlier. Legal information letters document background and describe options should the youth be able to take action in future to assert their legal interests

Adults who were formerly in continuing care of the province are eligible to apply to the PGT for bursaries from the PGT Educational Assistance Fund, a trust fund established by the province of BC in 1989. As trustee of this fund, the PGT assesses applicants and awards bursaries based on rates of investment return for the fund.

C. Responding to Demographic Change

Changing demographics require the PGT to adapt to meet growing demands related to increasing numbers of clients with more complex service needs and greater linguistic and cultural diversity.

The aging population is expected to lead to increased demand for PGT services associated with higher numbers of persons with dementia and other diseases of aging. Managing the assets of adult clients and otherwise responding to their needs is increasingly complex as client assets and support systems may be located outside of the province and may be held online. Managing the assets also increasingly involves debt management and electronic search expertise.

The number of Aboriginal children in BC is growing and Aboriginal children and youth continue to be disproportionately represented among children in care. As property guardian for children in continuing care, the PGT must provide culturally competent service to its Aboriginal child clients. The PGT is also coguardian with several Aboriginal Child and Family Service Agencies that serve a significant number of children in continuing care.

Relatively high levels of immigration to BC have increased the complexity of providing PGT services in a culturally appropriate manner and have raised client and general public expectations that services may be delivered in several languages. However, fiduciary services to protect private assets require clients to bear related costs. The PGT often provides service in situations involving considerable family conflict and staff must be aware of the implications of cultural and linguistic differences.

D. Upgrading Information Technology

Information technology needs continue to negatively impact PGT operations including risk management and accountability, service delivery and client expectations. Outdated systems currently constrain PGT capacity to respond adequately to these needs.

Replacing the PGT financial information system with a modern trust accounting system is essential and the need has now become critical. The PGT administers almost one billion dollars in client assets and is currently supported by an inadequate information technology system that was developed more than 25 years ago, lacks many of the features now considered to be minimum requirements for financial systems and is on an obsolete platform. The PGT anticipates that it will receive government funding approval that will allow development and implementation of a modern trust accounting system to begin in 2014/15.

The PGT role as legal representative for its clients requires management and retention of a significant volume of legal and financial client records over service periods that can last for decades. The PGT requires a document management system to mitigate risk and to ensure efficient access to critical client information. The PGT is not included in the provincial government information technology network as it maintains separate information technology systems for reasons of independence and confidentiality of client information.

PGT clients and service partners increasingly demand the type of technology facilitated service they receive elsewhere. In particular, they expect to be able to review status of their trust accounts and submit information interactively through the PGT website. The PGT currently has no capacity to accommodate these service demands.

Information technology will also support staff in responding to the increased complexity of client investment management and accountability requirements. Further, it will facilitate serving clients who increasingly have significant personal online presence ranging from banking through to social media.

E. Furthering Employee Engagement

PGT clients, their families and service partners expect accurate, equitable, high quality services delivered within reasonable time frames. Maintaining public confidence in the PGT is essential to its effectiveness. Engaged PGT staff and their specialized expertise are the organization's key resource and are critical to maintaining this confidence and protecting the interests of PGT clients.

The PGT faces numerous challenges to maintaining skilled and engaged staff. Key challenges include addressing high caseloads, incorporating heightened regulatory and accountability requirements and responding to client and service partner expectations. The complex PGT

service environment requires training to support staff in meeting new legislative and policy requirements.

The PGT also faces significant competition in recruiting staff with specialized skills in the legal, financial, health and social services sectors. This is related to coinciding challenges in ensuring knowledge transfer and succession planning in face of an aging workforce.

The PGT has implemented several measures to increase employee engagement including health and wellness activities and leadership development. It is committed to continuous service improvement including applying staff experience and expertise to improve service through more efficient and effective business processes and has embraced Lean methodology as a strategy to achieve this end.

5. STRATEGIC RISKS AND OPPORTUNITIES

The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains an extensive internal control environment to respond to the legal, financial and other risks associated with its duties. The PGT strives to mitigate risk through enhanced processes developed under its Enterprise Risk Management Framework (ERM). These risk mitigation strategies include planning and implementing internal controls and other risk management practices determined to be appropriate based on the assessed level of risk, due consideration to resource constraints and risk tolerance levels commensurate with the PGT duty as a fiduciary.

The following summarizes the most significant specific risks the PGT faces, as identified and assessed through the ERM process, and outlines some of the major mitigation strategies. This summary of key risks does not describe all potential risks facing the PGT nor all of the related controls and mitigation strategies.

Trust accounting system

- An adequate, reliable information technology infrastructure and systems are essential to meet PGT business needs. This is currently at significant risk due to an obsolete mission critical financial system that does not meet modern trust accounting standards and for which qualified technical staff are no longer routinely available.

- The PGT strives to mitigate this risk to client assets by continuing to press for funding from government for a modern trust accounting system and by recruiting staff qualified to maintain the system from abroad, if required.

Resourcing

- Adequate funding is required to perform PGT legislated duties. As a largely self funded organization, the PGT may be at risk if new duties are imposed without corresponding funding or if market fluctuations negatively impact commission based income.

- The PGT strives to mitigate this risk by identifying resource impacts when commenting on proposed legislation, making appropriate budget submissions and reprioritizing existing activities as required.

Externally imposed legislative and policy change

- New legislation or externally imposed policy changes which affect the PGT mandate may impact PGT workload or demand for PGT services. This includes changes impacting other organizations that secondarily impact the PGT.

- The PGT strives to mitigate this risk by seeking resources for new responsibilities and reviewing its activities to identify possible opportunities to reprioritize.

Human resources

- The PGT requires staff with specialized skills to perform its duties and would be at risk without adequate numbers of staff and/or staff with adequate skills and experience. This could occur due to recruitment constraints and the departure or retirement of experienced staff.

- The PGT strives to mitigate this risk by an ongoing commitment to improve employee engagement and to enhance recruitment and retention, including prioritizing leadership training at all levels.

Priority setting and capacity planning

- The PGT has extensive duties in several program areas and has limited organizational capacity to plan and/or implement new or changing priorities. These may include the need to implement new legislation and other externally determined initiatives and timelines. The PGT would be at risk if it were unable to respond appropriately.

- The PGT strives to mitigate this with ongoing business planning processes that prioritize current and new initiatives within both organizational capacity and overall strategic directions of the organization.

Records management

- Reliable access to current and past client information and protecting client privacy are necessary to carry out PGT fiduciary duties. The protection of client privacy and access could be at risk due to data being stored in different formats.

- The PGT strives to mitigate this risk through staff training and records retention schedules and plans to secure a document management system in the future as part of continued development of its information technology infrastructure. The PGT is also developing an information management framework to guide its management of privacy and access issues.

Training

- The PGT would be at risk if its employees were not sufficiently trained to adequately perform their duties. This could occur because of the coming into force of new legislation which affects PGT services and roles or because of inconsistent core training programs.

- The PGT strives to mitigate this risk by establishing a corporate training committee and by planning to develop a comprehensive training program that identifies core training requirements.

Demographic change

- Changing demographics impact the PGT, including increased demand for PGT services associated with dementia and other diseases of aging and also demand associated with increased cultural and linguistic diversity. The PGT would be at risk if it did not have adequate resources to meet these demands.

- The PGT strives to mitigate this risk by monitoring workload and making appropriate budget submissions for resources to maintain service levels. Many PGT information materials have been translated into key languages.

Management information

- Reliable management information is required to satisfy corporate needs such as planning, reporting and financial and staff management. This could be at risk due to incomplete, inaccurate or untimely financial and/or performance information.

- The PGT strives to mitigate this risk by continued development of information technology standards and systems and by establishing and monitoring key performance indicators in the PGT service delivery plan and in new initiatives.

6. PERFORMANCE MEASURES

A. Benchmarking

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, blend of services and unique legal status, PGT access to generally accepted benchmarks is limited. Public guardian and public trustee agencies in other jurisdictions each have some responsibilities and services or elements of them in common with the PGT but all have significant differences.

The PGT uses third party benchmarks in assessing the performance of its pooled investment funds.

In accordance with the *Public Guardian and Trustee Act*, the PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results and the PGT is able to make comparisons of its own past performance using this information.

B. Performance Measures

Goal # 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED							
Objectives	Performance Measures				Targets		
			2012/13 Actual	2013/14 Forecast	2014/15	2015/16	2016/17
1.1 Disbursements from children's trusts will be made in a timely manner	1.1.1	Percentage of disbursements from children's trusts that are completed within 15 calendar days of request by the guardian or client	99%	90%	90%	90%	90%
1.2 Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner	1.2.1	Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 45 calendar days of receipt	100%	95%	95%	95%	95%
	1.2.2	Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate	88%	80%	80%	80%	80%
	1.2.3	Percentage of adult client trust receipts processed within 5 business days	97%	90%	90%	90%	90%
	1.2.4	Percentage of adult client disbursements processed within 15 business days	96%	95%	95%	95%	95%

Goal # 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED						
Objectives	Performance Measures			Targets		
		2012/13 Actual	2013/14 Forecast	2014/15	2015/16	2016/17
1.3 Assets of client estates will be identified, secured and administered in a timely manner	1.3.1 Physical assets of new deceased estates secured within 15 calendar days of notification of death	85%	75%	75%	75%	75%
	1.3.2 Assets will be entered into the trust accounting system within 5 business days of receipt of the work order	81%	80%	85%	85%	85%
1.4 Estate distributions will be made to heirs and beneficiaries	1.4.1 Percentage of deceased estate funds that are distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society	96%	85%	85%	85%	85%
1.5 Client investments will be handled prudently	1.5.1 Investment returns for all three pooled funds match or exceed established benchmarks	Three of the three funds met or exceeded their benchmarks at March 31, 2013	Match or exceed established benchmarks	Match or exceed established benchmarks	Match or exceed established benchmarks	Match or exceed established benchmarks
	1.5.2 Percentage of investment plans subject to review that are completed within the year	99%	95%	95%	95%	95%

Goal # 2:
PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED

Objectives	Performance Measures				Targets		
			2013/14 Actual	2014/15 Forecast	2014/15	2015/16	2016/17
2.1 The personal needs of child and youth clients will be protected	2.1.1	For children and youth where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed	91%	90%	90%	90%	90%
2.2 The personal interests and health care needs of adult clients will be addressed	2.2.1	Percentage of committee of person adult clients who are annually visited by PGT staff	99%	95%	95%	95%	95%
	2.2.2	Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received	99%	95%	95%	95%	95%

Goal # 3:
STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER

Objectives	Performance Measures				Targets		
			2012/13 Actual	2013/14 Forecast	2014/15	2015/16	2016/17
3.1 Settlement reviews of legal claims of children and youth will be carried out in a timely manner	3.1.1	Percentage of proposed minors' settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received	96%	90%	90%	95%	95%
	3.1.2	For minors' settlements under $5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received	8 days	20 days	20 days	20 days	20 days
3.2 The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect	3.2.1	Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the *Public Guardian and Trustee Act*	97%	95%	95%	95%	95%
	3.2.2	Average age of private committee accounts that will be reviewed within 6 months of receipt	NA	NA	70%	70%	75%

Goal # 4:
THE PGT WILL CONTRIBUTE TO PUBLIC AWARENESS, POLICY DEVELOPMENT AND LAW REFORM INITIATIVES TO PROMOTE THE INTERESTS OF PGT CLIENTS

Objectives	Performance Measures			Targets		
		2012/13 Actual	2013/14 Forecast	2014/15	2015/16	2016/17
4.1 The PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients	4.1.1 Make recommendations regarding law reform that would permit the PGT to deliver appropriate support services to youth for whom the PGT is property guardian, when they are leaving the care of the province upon attaining the age of majority	NA	NA	Report delivered to the Attorney General and Minister of Justice by March 31, 2015	TBD	TBD
4.2 The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public	4.2.1 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums	91 presentations	65 presentations	65 presentations	65 presentations	65 presentations

Goal #5: THE PGT WILL DELIVER HIGH QUALITY CLIENT CENTRED SERVICES						
Objectives	Performance Measures			Targets		
		2012/13 Actual	2013/14 Forecast	2014/15	2015/16	2016/17
5.1 The PGT will meet client expectations for quality, equitable and accessible services	5.1.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good	95%	85%	85%	85%	85%
	5.1.2 Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)	100%	80%	80%	80%	80%

7. FINANCIAL CONTEXT

Summary Financial Outlook

Operating cost projections have been prepared on the basis of information available to the PGT as of December 10, 2013. Any changes that may occur after that date are not included. Amounts are stated in 2013/14 dollars.

The cost projections as shown in this report will vary from those shown in SDPs from previous years. A new cost allocation model was developed in the fall of 2013 following a comprehensive and principled review of all fees and commissions including cost recovery targets for each line of business. The new model will better align a wide range of more than 40 defined duties and roles and more accurately reflect the nature and cost of each service.

The following financial assumptions have been included.

- The budget amounts for 2014/15 and 2015/16 reflect anticipated operations except as noted below. The allocations for 2016/17 are flatlined.
- Benefits have been included at 25% of salaries throughout the period.
- Leave liability amounts have been calculated as 0.786% of salaries throughout the period.
- The Sixteenth BCGEU Master and Component Agreement expires March 31, 2014. There has been no provision for the financial impact of any future agreements impacting BCGEU.
- The collective agreement between the province and the BC Crown Counsel Association has a 12 year term commencing April 1, 2007 and expiring March 31, 2019. The incremental percentage is 1.27% each year in addition to percentage compensation parity with the Provincial Court Judiciary. This increase has been included in the PGT salary projections.
- Salary projections for management staff have remained constant.
- Fees and commissions and other charges earned are recognized as cost recoveries and will match client fee amounts collected with the costs of the related services provided.
- Implementation of the new *Probate Rules* contained in the *Wills, Estates and Succession Act,* 2009 will come into force on March 31, 2014. The financial impact is assumed to be minimal.
- Implementation of selected provisions of the *Adult Guardianship and Planning Statutes Amendment Act*, 2007 (AGA) relating to statutory property guardianship will come into force on December 1, 2014. The estimated costs to deliver this mandatory service of $0.789M in 2014/15 and $1.248M in 2015/16 and subsequent years have been included along with anticipated funding from proposed

changes to the *Public Guardian and Trustee Fees Regulation* resulting from a comprehensive review of fees and commissions.

- The 250 base employee positions (FTEs) are increased by 4 FTEs in 2014/15 and by 11 FTEs in 2015/16 and onwards for the implementation of AGA.

- Due to uncertainties surrounding the nature and timing of legislation such as proclamation and enactment, there has been no allowance for the financial implications resulting from:

    - *Health Statutes Amendment Act, 2007* (Bill 26) will repeal and replace Part 3 of the *Health Care (Consent) and Care Facility (Admission) Act* and introduce a consent scheme for admission to care facilities in BC. Financial implications for the PGT will have to be addressed prior to implementation.

- PGT voted funding is provided in accordance with amounts established by the Ministry of Justice in its three year service plan in the amount of $8.893M in 2014/15 and ongoing.

- Capital funding of $0.363M plus one time capital funding of $0.099M for AGA in 2014/15, and $0.363M in 2015/16 and ongoing. There has been no provision included for replacement of the Trust Accounting System.

A. Operating Cost Projections for 2014-2015 through 2016-2017

Program	2014-2015 External Recoveries	2014-2015 Operating Expenditure	2014-2015 Net	2015-2016 External Recoveries	2015-2016 Operating Expenditure	2015-2016 Net	2016-2017 External Recoveries	2016-2017 Operating Expenditure	2016-2017 Net
	All amounts are quoted in thousands of dollars								
Estate and Trust Services									
Adult trust services	8,916	11,025	(2,109)	9,033	11,195	(2,162)	9,033	11,195	(2,162)
Estate and personal trust services	4,187	3,885	302	4,348	3,877	471	4,348	3,877	471
Child trust services	1,554	1,492	62	1,620	1,490	130	1,620	1,490	130
Public Services [1]									
Adult services	535	3,969	(3,434)	529	4,325	(3,796)	529	4,325	(3,796)
Child services	753	5,172	(4,419)	737	4,978	(4,241)	737	4,978	(4,241)
Total	15,945	25,543	(9,598)	16,267	25,865	(9,598)	16,267	25,865	(9,598)
Voted Funding			8,893			8,893			8,893
Internal Recoveries			705			705			705
Net Recovery (Expense)			-			-			-
Projected Permanent FTEs			254			261			261

[1] Adult services include Assessment and Investigation, Temporary Substitute Decision Making, Committee of Person, Private Committee and Litigation Guardian.
Child services include Property Guardian, Infant Settlement Reviews, Grant Application and other Statutory Reviews and Litigation Guardian.

B. Special Account Summary

	Public Accounts	Estimates	Service Delivery Plan		
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Special Account Beginning Balance	**$25,094**	**$26,160**	**$26,160**	**$26,160**	**$26,160**
Operating Expenditure	(24,862)	(24,697)	(25,543)	(25,865)	(25,865)
Internal and External Recoveries	17,839	15,804	16,650	16,972	16,972
Transfer from Ministry Vote	8,089	8,893	8,893	8,893	8,893
Net Recovery (Expense)	1,066	-	-	-	-
Special Account Ending Balance	**$26,160**	**$26,160**	**$26,160**	**$26,160**	**$26,160**

8. CONTACT INFORMATION

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